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Fifty-Seventh Annual Report



APR 18 1962

for
the
year
ended
december
31st, 1961


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INGRAM & BELL

LIMITED
TORONTO

MONTREAL WINNIPEG CALGARY VANCOUVER



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AN ALL CANADIAN COMPANY

INGRAM & BELL, LIMITED

**Fifty-Seventh
Annual Report
for the year ended
December 31st, 1961**

INGRAM & BELL, LIMITED

DIRECTORS

A. T. CORNER
W. F. JONES, PH.C., PHM.B.
R. R. McLERNON
HON. JEAN RAYMOND, Q.C.
P. N. THOMSON
W. H. WERT, C.A.
C. C. WHITE, PH.C., PHM.B.

OFFICERS

W. H. WERT, C.A.	- - - -	Chairman of Board
C. C. WHITE, PH.C., PHM.B.	- -	President
W. F. JONES, PH.C., PHM.B.	- -	Vice-President & Secretary
H. T. MUNRO	- - - -	Treasurer

L. F. MAY, D.F.C.	- - - -	General Sales Manager
T. D. MUSTO	- - - -	Manager, Montreal Branch
T. M. WARD	- - - -	Manager, Winnipeg Branch
A. W. STEEN	- - - -	Manager, Calgary Branch
G. A. CORNELIUS	- - - -	Manager, Vancouver Branch

HEAD OFFICE

256 McCaul Street, Toronto 2B, Ontario.

BRANCH OFFICES

Montreal, P.Q.	- - - -	4664 St. Catherine St. W.
Winnipeg, Man.	- - - -	201 Kennedy Street
Calgary, Alta.	- - - -	2032 - 10th Ave. S.W.
Vancouver, B.C.	- - - -	2130 Burrard Street

TRANSFER AGENTS

Guaranty Trust Company of Canada, 366 Bay St., Toronto

AUDITORS

Winspear, Higgins, Stevenson and Doane

BANKERS

The Bank of Nova Scotia

SOLICITORS

Mungovan & Mungovan, Toronto



INGRAM & BELL

PHARMACEUTICALS, SURGICAL INSTRUMENTS
PHYSICIANS, HOSPITAL & CLINICAL LABORATORY SUPPLIES

TORONTO
MONTREAL . WINNIPEG . CALGARY . VANCOUVER

HEAD OFFICE

256 McCAUL ST. AT COLLEGE ST.

TORONTO 2B,

CANADA

PRESIDENT'S REPORT TO THE SHAREHOLDERS

The Fifty-seventh Annual Report on the operations of your Company is submitted herewith.

The fiscal year 1961 was one of keen competition and many problems. Nevertheless, our sales volume once again increased — to an all-time high.

Unlike exporters who have benefited by the discount on the Canadian dollar, we, like many other companies in the importing field, have been adversely affected, since a very substantial volume of our merchandise which, unfortunately, is not available from Canadian sources, must either be imported from the U.S.A. or paid for in U.S. dollars.

This, together with "start up" expenses in connection with our new branch facilities in Calgary and Vancouver contributed to lower earnings for the period under review.

After providing for the usual depreciation allowances, Federal and Provincial Income Taxes and for dividends of \$52,443, there remained from earnings \$67,197 for transfer to our Earned Surplus Account (Earnings Retained in our Business).

With our move to new premises in Vancouver on July 1st, 1961, which gave us increased space and facilities there, we now have modern office and warehouse accommodation at all branch locations — all owned by your Company. In addition, warehousing facilities for certain products have been established at Halifax, N.S. and Regina, Sask., thereby continuing your Company's policy of providing better service to our customers.

Although no income was received during the year from our wholly owned subsidiary, Lyman's Limited, its operations were on a profitable basis and earnings were retained to improve its working capital position.

During the year, the Cumulative Participating Non-Voting Preference shares of your Company were converted into an equal number of Common shares, so that the presently authorized capital of your Company consists solely of 160,000 Common shares of which 122,220 are issued and outstanding. These shares were placed on a regular quarterly dividend basis of twenty cents per share and the first dividend was paid on January 30th, 1962.

While it is difficult to forecast results for the full year ahead, sales for the first three months of 1962 show a substantial increase over the first quarter of 1961. Expansion of hospital facilities throughout Canada, to alleviate the present shortage of patient accommodation which exists in many areas, should result in considerable new business and leads us to expect a continuation of the trend established in the first quarter.

The continued support of our All Canadian Company by our many friends in the Hospital Field, in the Medical and Pharmaceutical Professions, and in Industrial First Aid has been greatly appreciated. This, together with the interest, enthusiasm and effort of all members of the I & B staff has again made a substantial contribution to the results for 1961.

On Behalf of the Board of Directors,

April 11th, 1962.

President.

ASSETS

CURRENT	1961	1960
Cash	\$ 20,291	\$ 144,665
Accounts and notes receivable less allowance for doubtful accounts..... (including other than trade 1961 — \$40,914; 1960 — \$128,721)	1,018,603	1,038,431
Inventory of merchandise and supplies at the lower of cost or market value	1,237,846	983,728
Total current assets	<u>\$2,276,740</u>	<u>\$2,166,824</u>
INVESTMENT IN WHOLLY-OWNED SUBSIDIARIES		
At cost (see note 1)	\$ 389,825	\$ 389,825
LAND, BUILDINGS, MACHINERY AND EQUIPMENT		
At Cost	\$1,423,595	\$1,362,867
Less		
Accumulated depreciation	662,887	618,564
	<u>\$ 760,708</u>	<u>\$ 744,303</u>
DEFERRED CHARGES AND OTHER ASSETS	\$ 18,738	\$ 27,592
TRADEMARKS AND FORMULAE	\$ 1	\$ 1
	<u><u>\$3,446,012</u></u>	<u><u>\$3,328,545</u></u>

Approved on behalf of the Board of Directors

C. C. WHITE

W. F. JONES

AUDITORS' REPORT

We have examined the balance sheet of Ingram & Bell, Limited as at December 31, 1961. Our examination included a general review of the accounting procedures and such tests of accounts as we considered necessary.

In our opinion the above balance sheet and accompanying statements of profit and loss for the year ended on that date, in accordance with generally accepted accounting principles, are correct.

Toronto, February 22, 1962.

LL, LIMITED

CANADA

SHEET

31, 1961

(in thousands of dollars)

LIABILITIES**CURRENT**

	1961	1960
Bankers' advances	—	\$ 25,000
Accounts payable and accrued charges	\$ 760,922	717,070
Taxes payable	52,132	75,825
Dividend payable	24,444	9,333
Total current liabilities	\$ 837,498	\$ 827,228

LONG TERM INDEBTEDNESS

Bank loan (see note 2)	\$ 290,000	\$ 639,825
Note payable — International Bronze Powders Limited	389,825	—
	\$ 679,825	\$ 639,825

CAPITAL

Capital stock (see note 3)		
Common shares without par value		
Authorized 160,000 shares of which 122,220 shares are issued and outstanding	\$ 126,062	\$ 126,062
Earned surplus	1,802,627	1,735,430
	\$1,928,689	\$1,861,492
	\$3,446,012	\$3,328,545

The accompanying notes form an integral part of the financial statements.

NOTE 1:

The assets, liabilities, income and expenses of wholly-owned subsidiaries have not been included in these financial statements.

The subsidiaries had a consolidated net profit of \$24,078 for the year ended December 31, 1961. The undistributed profits of the subsidiaries earned since acquisition amounted to \$53,064. No income has been received from subsidiaries.

NOTE 2:

The long term indebtedness includes a bank loan of \$290,000 made under the terms of a revolving credit agreement which provides for a maximum credit of \$450,000 to be reduced by \$50,000 on March 1st each year 1962 to 1970. The bank loan is secured by a general assignment of book debts and by 4% first mortgage collateral bonds due February 28, 1970 in the amount of \$450,000.

NOTE 3:

By Supplementary Letters Patent dated December 28, 1961 the 62,220 issued and 37,780 unissued cumulative, participating preference, non-voting shares without nominal or par value were reclassified into 62,220 issued and 37,780 unissued common shares without par value respectively ranking on a parity with the existing 60,000 common shares.

THE SHAREHOLDERS

and the statements of profit and loss and earned surplus for the year ended on that date, including records and other supporting evidence as we considered necessary in the circumstances, and earned surplus present fairly the financial position of the company as at December 31, fully accepted accounting principles applied on a basis consistent with that of the preceding

WINSPEAR, HIGGINS, STEVENSON AND DOANE,
Chartered Accountants.

INGRAM & BELL, LIMITED
STATEMENT OF EARNED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 1961

	<u>1961</u>	<u>1960</u>
Balance, January 1	\$1,735,430	\$1,536,501
Profit on sale of building		60,880
Proceeds from life insurance		2,085
Net earnings for the year	119,640	173,296
	<u>\$1,855,070</u>	<u>\$1,772,762</u>
Dividends		
Preference shares (numbers 34 to 36)	\$27,999	37,332
Common shares (number 1)	24,444	52,443
Balance, December 31	<u>\$1,802,627</u>	<u>\$1,735,430</u>

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED DECEMBER 31, 1961

	<u>1961</u>	<u>1960</u>
Profit from operations after deducting \$61,926 (1960 — \$56,240) for depreciation and directors fees of \$8,550 (1960 — \$6,550)	\$ 282,444	\$ 350,493
Interest on long-term indebtedness	36,468	7,782
Net profit before deducting income taxes	\$ 245,976	\$ 342,711
Provision for income taxes	126,336	169,415
Net earnings for the year	<u>\$ 119,640</u>	<u>\$ 173,296</u>

INGRAM & BELL, LIMITED

EARNINGS AND DIVIDENDS

1958 to 1961

	1961	1960	Ten months ended Dec. 31, 1959	Year to end of February	
				1959	1958
Net earnings	\$119,640	\$173,296	\$120,992	\$111,584	\$ 89,886
Cumulative dividends paid or accrued on preference shares	27,999	37,332	31,400	37,332	37,332
Dividend accrued on common shares	24,444
Net earnings less dividends paid or accrued	67,197	135,964	89,592	74,252	52,554



FOR HALF A CENTURY
THIS TRADE MARK
HAS BEEN KNOWN
TO PHYSICIANS AND HOSPITALS
THROUGHOUT CANADA
AS A RELIABLE GUIDE
TO QUALITY PRODUCTS



AN ALL CANADIAN COMPANY